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The Henorable John Stennis Chairman, Subcommittee on Real Estate and Military Construction Senate Armed Services Committee Washington 25, D. C.

Dear Mr. Chairmen:

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I understand that the Sanate Armed Services Committee has reported out S. 1765, Title IV of which would authorize the Director of Central Intelligence to provide for a headquarters installation for the Central Intelligence Agency. However, I also understand that the \$50,000,000 which we requested for the construction of buildings, facilities, appurtenances, utilities, and access roads was reduced to \$45,000,000.

I am seriously concerned about this reduction inasmuch as we had	SIAI
made every effort to present a realistic estimate of our cost and feel	
that the construction of our building might be seriously jeopardized if	
less than the \$50,000,000 requested were finally authorised. Our net	STAT
office space requirements are estimated at	] ````
whereas the average net office space per governmental employee in the	_
metropolitan area of Washington, D. C., is We have es-	STAT
timated the ratio of net space to gross area at which I believe	
is considerably more efficient utilization than that of other Government	
buildings at this time. For example, the Pentagon is the new	
State Department building is the Department of Interior build-	•
ing is etc. We feel that our estimated cost of approximately	STAT
is very conservative in the light of these high	
standards. In addition, these estimates were reviewed in detail by the	
Public Buildings Service and the Bureau of the Budget. With these agen-	OT 4 T
cies we compared the estimated cost of our proposed building with the	SIAI
actual cost of the General Accounting Office building. Using this as a	
base, and taking into consideration adjustments which we feel to be es-	
sential in our case, as well as the increase in construction costs since	
sources in our case, we want us and increase in comparaction coses since	100
the G.A.O. building was completed, we arrived at an estimate of \$50,000,000	Pire

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which has been approved by the House.

In discussing this matter with architects, both in and out of Government, including those from firms with a good national reputation, we have been assured that we have provided only for simple but dignified and efficient office and operating space. I wish to assure you that it is my desire to construct for this Agency a nonmonumental headquarters building with the highest possible utility at the lowest cost to the Government. As a result of the studies we have made and the procedures followed in arriving at this estimate, I feel strongly that we would not have the flexibility to meet our requirements if the amount requested were reduced.

I sincerely hope that your Committee may see fit to allow us the full amount requested.

Sincerely yours,

Allen W. Dalles Director

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CONCUR:

L. K. WHITE

Deputy Director
(Support)